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DENISON MINES LIMITED

ANNUAL REPORT

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Emerging from the galaxy of stars has come this emblem, descriptive of Strength and Judgment.

These two qualities, adopted by your Company as necessary attributes in the past, are projected as an image of what we hold most necessary for advancement.

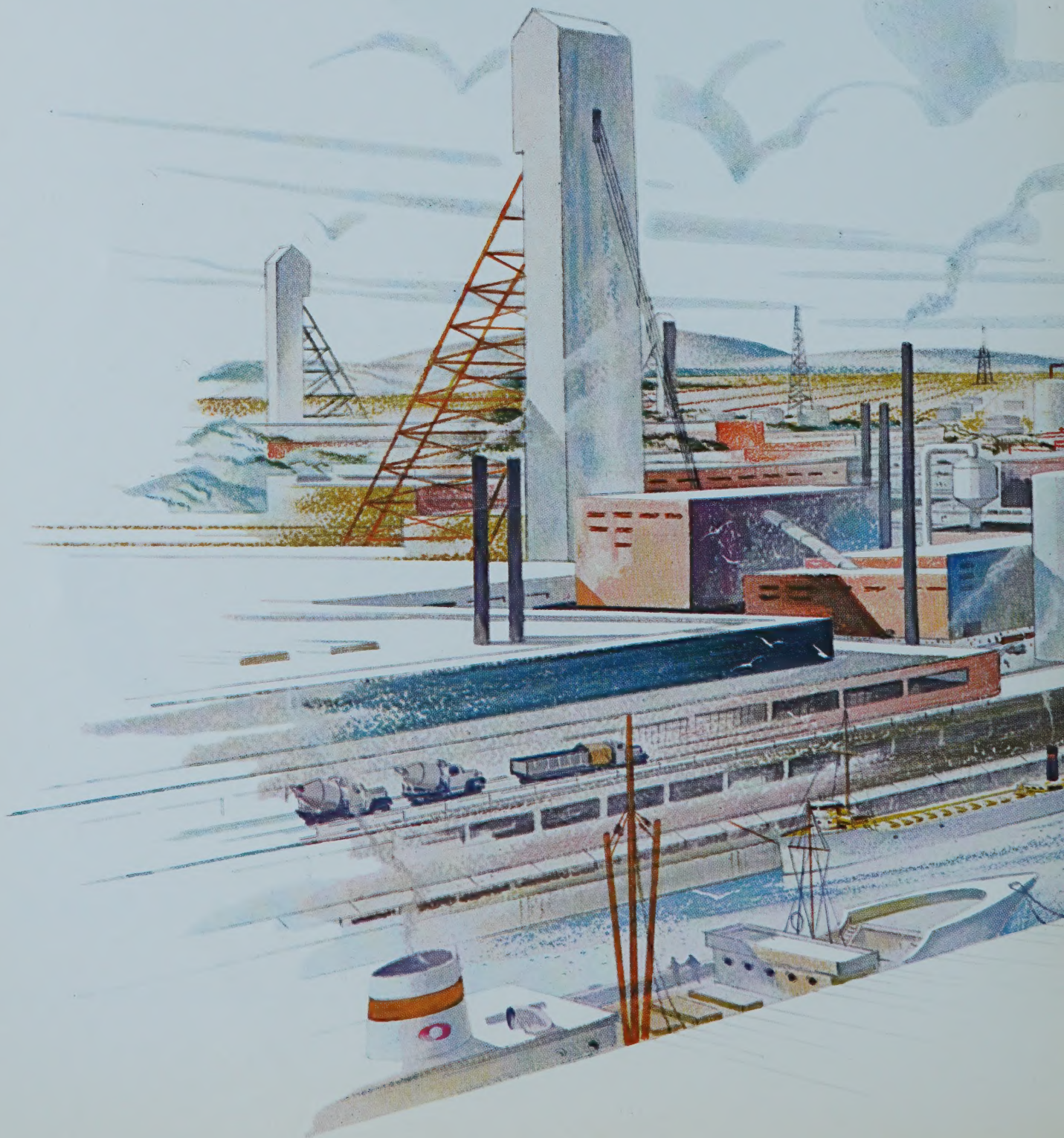
Adapted from the astrological signs for the constellations of Libra and Taurus it depicts with classical simplicity the qualities of Strength and Judgment, which when combined with aggressive and dedicated leadership produce continuing progress.



DENISON MINES LIMITED

annual report 1962

1962 annual report





DENISON MINES LIMITED

Officers

STEPHEN B. ROMAN President	A. W. STOLLERY, B.Sc. Vice-President
JOHN KOSTUIK, B.Sc. Vice-President and General Manager	THE HONOURABLE HARRY A. WILLIS, Q.C. Vice-President
JOHN C. PUHKY Secretary-Treasurer	E. B. McCONKEY, C.A. Asst. Secretary-Treasurer

Directors

JAMES F. CROTHERS	STEPHEN B. ROMAN
F. H. JOWSEY	A. W. STOLLERY, B.Sc.
GEO. C. KNOWLES	J. S. WILLIAMS, Q.C.
LOUIS R. PERINI	THE HON. HARRY A. WILLIS, Q.C.
B. E. WILLOUGHBY	

Solicitors

FRASER, BEATTY, TUCKER, MCINTOSH & STEWART
Toronto, Ontario

Auditors

AMPLEFORD, BROADHEAD & CO.
Toronto, Ontario

Bankers

THE ROYAL BANK OF CANADA
Toronto, Ontario

Registrar and Transfer Agent

GUARANTY TRUST COMPANY OF CANADA
Toronto, Ontario

Executive Office

4 King Street West, Toronto, Ontario

Mine Office

Elliot Lake, Ontario

Directors' Report



To the Shareholders:

It gives me great pleasure to submit the Annual Report of your Company for the year ended December 31st, 1962. Included herewith are the Financial Statements as reported on by the Company's auditors, the Summary of Operations by the Vice-President and General Manager and the Mine Manager's Report.

During 1962 continued progress has been achieved in the establishment of a solid foundation for future earnings. Uranium operations reflect a greater increase in efficiency while investments in other industries have shown important growth and significant improvement in volume of sales, marketing position and operating performance.

Net profit for the year amounted to \$10,200,000 or \$2.28 per share. A substantial increase in earnings from petroleum production and investments was offset by a reduction in earnings from uranium operations. The latter resulted from the Company's decision to reduce uranium production by approximately 10% and the stockpiling of a portion of production during the year.

The Company's working capital position at December 31, 1962 was \$37.7 million after a reduction in long-term debt of \$5,400,000 and payment of two dividends totalling \$1.00 per share during the year, bringing total dividend payments to \$17,900,000 or \$4.00 per share during the past four years.

For the Mining Division the most important single development was the settlement of a new contract for delivery of uranium-oxide to the United Kingdom. The price awarded to your Company was far below expectations, however a concentrated effort will be made to achieve the highest possible level of profit from the contract. At the same time, the mine will be kept in good condition

for the competitive markets of the future. Moreover, your Company has improved its competitive position by the decision to place in inventory a quantity of uranium-oxide.

The Company has continued its careful diversification programme in several fields. Investment in Canada's petroleum and natural gas industries reached \$5.9 million by the end of the year. This investment is producing income at the rate of approximately \$1 million per year starting in 1963, two months ahead of schedule and only 18 months after your Board of Directors took the initial step to invest part of the Company's funds in the petroleum industry.

The Explorations Division has continued an active programme in the search for new discoveries. Several interesting properties are currently being drilled.

Your Company's subsidiaries in the building materials industry were consolidated into Premier Building Materials Limited. The efficiency and competitive position of this company have been steadily improved by controlled capital expenditures and better cost direction.

Lake Ontario Portland Cement Company, in which your Company has a substantial investment, continued to improve its marketing position in the face of severe competition in the industry. Planning for plant expansion is in progress.

These diversifications are important to the future growth of Denison Mines Limited. Equally important is the current rapid growth of the prospects for nuclear energy in commercial application. Although the development of nuclear power to date has been chiefly under Government auspices, within

the past year a most significant change has begun to be felt in the atomic power industry. For the first time, a high level of confidence is being manifested by the construction by private industry of major nuclear power plants.

At the same time, public knowledge and experience in the nuclear industry is growing, and is leading to serious consideration of the use of atomic explosions for industrial purposes, reactor waste heat for industrial processes, and numerous uses of uranium as a metal.

We have now begun to move forward in that serious and realistic atmosphere of scientific and practical application which inevitably leads to success. As a major supplier of uranium, Denison Mines Limited looks forward with confidence to the achievement of a more prominent position for uranium in the world economy.

Your Directors feel therefore that in evaluating your Company one should not overlook the worth of Denison's uranium reserves. With 100 million tons of ore remaining, after delivery of our contracts, it is important for our shareholders to realize that the value of such a reserve is indeed very significant in their personal appraisal of their investment.

The potential value of our uranium and petroleum reserves, when added to earnings from our uranium contracts not only confirms your Company's current strong position, but also emphasizes the tremendous assets that are available for the continued growth of the shareholders' equity.

The interest of our shareholders is a source of inspiration in our efforts to protect the dividend. We sincerely appreciate the efforts of those who have drawn to our attention situations which have merited investigation, and encourage all of our shareholders in this regard. Comments on the policies of management are also appreciated.

The Company's success in the past is owing to the combined efforts of the staff, the employees and the shareholders. With this co-operative effort, the Company brought its mine into operation in what was a record

time in Canadian mining history. This performance established a precedent which, with the additional resources now at our disposal, sets a standard for the future. Your Company is therefore a paramount example of the free enterprise system, reflecting the cumulative impact of individual initiative.

We should not lose sight of the fact that the key to attainment of Peace, industrial or otherwise, lies in private enterprise backed by the individual's initiative against the uncompromising background of charity. The competitive spirit of free enterprise, having at its disposal all the faculties of mankind, can make itself the controlling force of man's environment, for the ultimate good of all. It is of prime importance that all the segments of our society be equally responsible in working for the attainment of this goal. To function properly, therefore, we must all play our part in improving productivity and raising our own and our friends' standard of living.

Our government must acknowledge its ever increasing influence and participation in business. Democratic leadership should recognize that the resolving of differences between government, management and labour and the attainment of common goals lies in a sensible and realistic approach to our common problems. It is impossible in today's world, influenced by so many variables, to have a responsible government without first having a responsible electorate.

Your directors feel it important that management, employees and shareholders recognize their responsibilities to protect and enhance the future of the Company. We are convinced that, with the experience of past years and with the help and confidence of our shareholders and employees, we can assure future success and contribute to the advancement of your Company.

On behalf of the Board of Directors,

STEPHEN B. ROMAN,

President.

Toronto, Ontario,
January 11, 1963.

General Manager's Summary of Operations



The President and Directors,
Denison Mines Limited,
4 King Street West,
Toronto 1, Ontario.

Gentlemen:

The following report summarizes the operations at the Denison Mines Limited property at Elliot Lake, Ontario for the year ending December 31, 1962, and includes a review of the work accomplished in the other divisions of the Company during the same period.



Elliot Lake Operations

The original contract with the U.S. Government which began in 1957 and which called for the delivery of 28,516,600 lbs. U_3O_8 will be completed in November 1963. The Company's share of the recently announced U.K. contract is 5,665,923 lbs. at a price of \$4.38 per pound of U_3O_8 . Deliveries of this amount will be concluded approximately 16 months from the completion of the U.S. contract. An increase in the grade of ore treated, together with even greater efficiency, should result in a profit from this additional contract.

Underground development during the new contract will be continued and the operations will therefore always remain on a competitive basis to meet future demands.

A total of 1,828,993 tons was milled during the year, a drop of 10% from the previous year. This was a result of the Company's decision to treat 5,000 tons per day after the annual holiday shutdown.

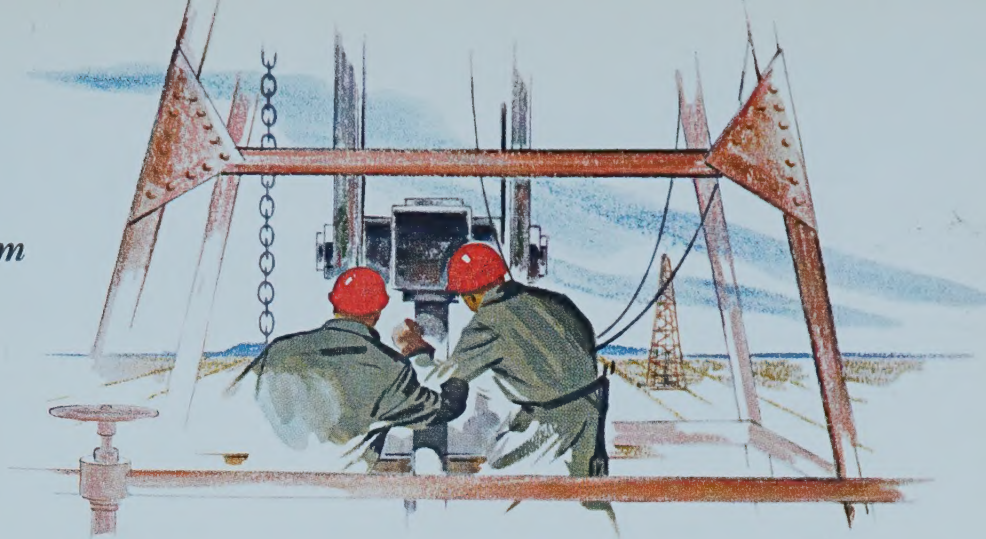
A total for the year of \$190,000 was expended for new capital equipment. This embodied extension of conveyor ways, the Axis B erection, and a 1,000 KVA transformer substation in the northeast area.

An offer by Engineering Consultants Limited of St. John, N.B., to purchase the buildings, plant, machinery, equipment and supplies of the Can-Met property was accepted by Denison Mines Limited in June, 1962.

A detailed report by the Mine Manager covering operations is appended.



Petroleum



During the past year, Denison embarked on an aggressive policy to increase revenue from this division. Twelve wells are producing from six parcels of $\frac{1}{2}$ section each, as reported in last year's annual report. In addition, the producing interests of Trans-Canada Explorations Limited and of the Armisic Oil Company Limited were purchased. During the year Denison made an offer to the shareholders of Westburne Oil Company Limited to purchase share control of that Company. Shares tendered under the offer were purchased, and have since been sold. At Crown Sales seven leases were purchased, upon which 8 producing wells have been drilled to date. Recently, in participation with others, Denison acquired the major interest in a drilling reservation in the Edson Area near a well that discovered oil in the Cardium Formation and gas in the Elkton Member of the Mississippian.

Gross production for the year 1962 totalled 366,398 barrels, which after royalty of 55,412 barrels, netted 310,986 barrels. This gross production averaged 1,004 barrels per day and was obtained from the following Alberta fields:

<u>Field</u>	<u>No. Producing Wells</u>
Judy Creek West	6
Swan Hills (Unitized)	6
Pembina (Unitized)	2
Pembina	6
Armisic	2
Bigoray	2
Gilby	2
Twining	2
Ewing Lake	1
Total	29

Gross production from the above wells without additional drilling is anticipated to average 1,370 barrels per day in 1963.

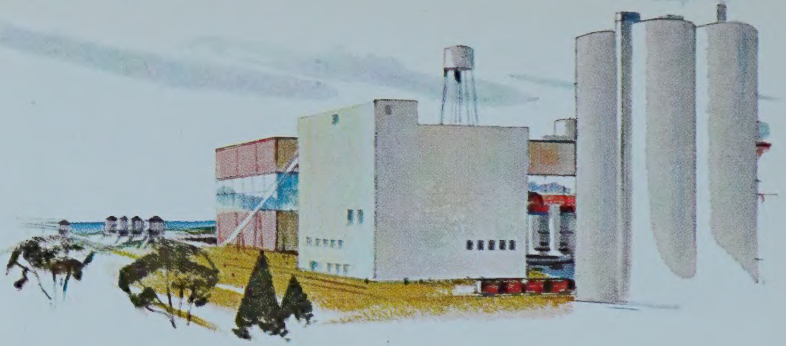
Gross proven oil reserves have been estimated at 14,050,000 barrels. These are the reserves considered recoverable by the production systems now in operation in the pools from which the Denison wells produce.

Probable additional reserves are those reserves that will be recovered by pressure maintenance or secondary recovery operations, and have been estimated to total a further 13,950,000 barrels.

Denison Mines Limited is continually evaluating various oil and gas prospects with a view to their acquisition. The present aggressive policy to enlarge the oil division will be continued.



*Lake Ontario
Portland Cement
Company Limited*



The 1962 earnings of Lake Ontario Portland Cement Company Limited, in which Denison Mines Limited has a substantial interest, were somewhat less than earnings in 1961, owing mainly to outside purchase of cement during periods of peak demand. These purchases, however, permit the carry-forward of a higher inventory, which should contribute to improved earnings for 1963.

The present sales level of the Company is greater than its existing production capacity. Operating improvements result-

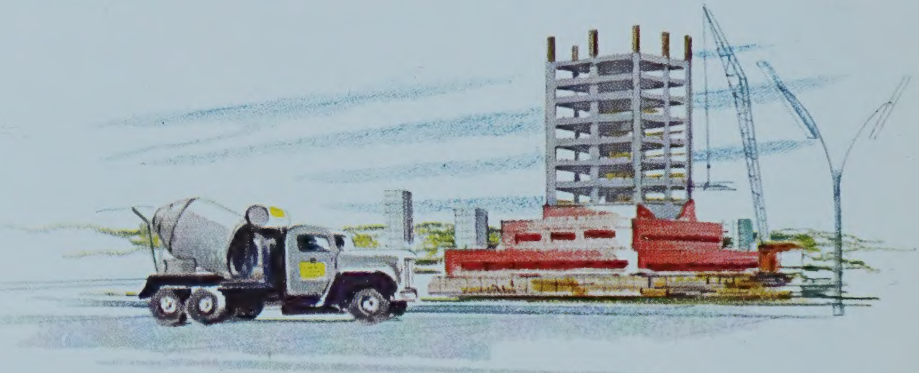
ing in increased production continue to be made, but it is apparent that an expansion of production capacity is required. Engineering studies in this connection are continuing.

It is noteworthy that the company's accumulated deficit has now been eliminated. It is therefore possible for the directors to consider some payment on the preferred shares.

In the light of these factors, the outlook for LOPC for 1963 is excellent.



*Premier
Building
Materials
Limited*



This wholly-owned subsidiary under new name and management established itself as one of the major ready-mix concrete suppliers in Metropolitan Toronto.

The past year saw many improvements in services and facilities, including the opening of a modern new plant to serve the downtown area. A technical and testing laboratory was established to provide quality control for production of aggre-

gates and concrete. Mechanical billing and accounting procedures were introduced. A concentrated effort was made to acquire a larger share of the market and as a result a sharp increase in sales was achieved. Prices, however, have remained extremely competitive during the period.

The coming year should bring some higher degree of price stability and further improvement in profitability.



Exploration



Efforts to broaden the Company's sphere of production in the mineral industry continue. The Explorations Division of the Company maintains its main office in Toronto, as well as field offices in Ontario, Quebec, and the Maritimes.

A broad exploration programme was undertaken with increased accent on investigating properties in a state of advanced development. Of the many properties submitted, four options were undertaken, in Jamaica, British Columbia (2), and Quebec. These were tested by diamond drilling, but did not merit further work. The Company also participated in prospecting syndicates in Saskatchewan and Gaspe.

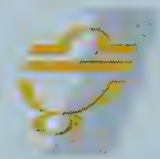
Denison Mines Limited is planning work in Ireland on six exploration concessions in County Clare. In the concession area known geology indicates strong similarity to important ore-forming features of other deposits. Detailed planning of the exploration programme has been completed, and it is expected that field work will begin in the near future, directed by Denison or one of its affiliates.

Black Hawk Mining Limited is currently the center of much interest because of its Blue Hill, Maine, property. Denison has

option agreements on shares of this company and Denison exploration crews are presently mapping and drilling on the property. Three zones have been outlined to date within one of which more than 250,000 tons of copper-zinc-silver ore has been indicated. Diamond drilling is being continued.

Control of Head of the Lakes Iron Limited was obtained during the year by purchase of capital stock. At the Marathon property of Head of the Lakes Iron Limited, a total of 37 diamond drill holes intersected low-grade copper mineralization over widths of 15-60 feet and a length of several thousand feet. Present plans are to investigate the potential of this zone at depth this spring. Further examination is being planned for the Quetico Park property of Head of the Lakes, where a large iron deposit had been outlined, together with examination and drilling of a former gold discovery.

Plans for the coming field season call for increased activity in the search for precious and base metal deposits, and the evaluation of known deposits. The Company's interest in non-metallic mineral deposits also calls for a broad work programme.



Other Investments

As part of the diversification programme in the building material industry your Company acquired a substantial interest in Primeau Argo Block Co. Limited.

This company operates three block plants in the Toronto area, two of which are equipped for high pressure curing. Their product line includes a complete range of masonry units produced from various aggregates, either standard or light-weight. The location of these plants affords excellent distribution for the whole of the metropolitan and suburban area.

Primeau Argo Block Co. Limited is also engaged in the production of natural building stone from their quarry at Glen Williams, Ontario. The sawn stone, marketed under the name of "Credit Valley", is widely accepted by the architectural profession.

Overall sales for the year were maintained at a satisfactory level and the company enjoyed a moderate profit.

As reported last year, a 17.5% interest was acquired in Midepsa Industries Limited which controls a potash and phosphate project in the Sechura Desert in Peru. This interest was acquired by supplying Midepsa with risk capital to enable it to conduct its investigations. Recent interest centered around the fact that Homestake Mining Company made an offer to Midepsa to put the property into production. Standard Oil Co. (New Jersey) has become associated with Homestake Mining Company in this venture.

I wish to express my gratitude and appreciation to the President and to the Directors for their continued support and confidence.

Respectfully submitted,

JOHN KOSTUIK,

Vice-President and
General Manager.

Toronto, Ontario,
January 11, 1963.

DEATSON MINES LIMITED

CONSOLIDATED STATEMENT OF EARNED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1962

Balance at January 1, 1962		\$42,489,022
Net profit for the year		10,176,469
		<hr/> 52,665,491
Deduct:		
Dividends paid	\$ 4,474,703	
Bond issue and redemption expenses written off, less discount on bonds repurchased	187,568	4,662,271
	<hr/>	<hr/>
Balance at December 31, 1962		<u>\$48,003,220</u>

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1962

Operating profit before items shown below		\$25,103,876
Revenue from investments		914,532
		<hr/> 26,018,408
Deduct:		
Interest on long term debt	\$ 359,614	
Directors' fees	25,900	
Provision for Ontario mining tax	1,500,000	1,885,514
	<hr/>	<hr/>
Profit before write-offs		24,132,894
Provision for depreciation and depletion	11,837,460	
Deferred development and preproduction expenditure written off	2,118,965	13,956,425
	<hr/>	<hr/>
Net profit for the year		<u>\$10,176,469</u>



CONSOLIDATED

Balance Sheet

AS AT DECEMBER 31, NINETEEN HUNDRED AND SIXTY TWO

Assets

CURRENT ASSETS

Cash in banks	\$ 2,180,001	
Short term notes — at cost	11,203,870	
Marketable securities — at or below cost (quoted market value \$4,299,700)	4,410,366	
Accounts receivable including concentrate settlements	1,475,592	
Concentrates produced for delivery under firm contract with Crown corporation — at net sales price	32,705,892	
Loans receivable (secured) due within one year	245,000	\$52,220,721

INVESTMENT IN SHARES OF OTHER COMPANIES, at cost, including shares costing \$6,618,817 with a quoted market value of \$5,276,331	6,660,832
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LOANS RECEIVABLE (secured), not including amounts due within one year ...	1,762,342
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INVENTORIES including concentrates and materials held for sale	3,347,366
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PROPERTY, PLANT AND EQUIPMENT at cost less accumulated depreciation and depletion of \$46,395,552	11,051,834
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OTHER ASSETS

Prepaid and deferred expenses	134,198	-
Expense of bonds issued, less amounts written off	238,003	372,201
		<u>\$75,415,296</u>

Approved on behalf of the Board of Directors:

GEO. C. KNOWLES, Director.

A. W. STOLLERY, Director.



THE ONTARIO MINING CORPORATION Consolidated Balance Sheet

Liabilities

CURRENT LIABILITIES

Accounts payable and accrued charges	\$ 1,471,707	
Unclaimed dividends	39,884	
Long term debt due within one year	2,549,750	
Provision for Ontario mining tax	2,867,211	
Advances against concentrates to be delivered under firm contract with Crown corporation	7,529,253	\$14,457,805

LONG TERM DEBT (not including amounts due within one year)

General Mortgage Bonds, non-interest bearing, due April 15, 1964	1,864,800	
First Mortgages on dwelling units	1,234,635	3,099,435
Premium adjustment on United States dollars included in net sales price of concentrates to be delivered under firm contract		1,790,000

SHAREHOLDERS' EQUITY

Capital stock

Authorized:

6,000,000 shares of \$1.00 par value each	\$ 6,000,000
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Issued and fully paid:

4,474,703 shares	4,474,703	
Earned surplus	48,003,220	
Contributed surplus	3,590,133	56,068,056
		<u>\$75,415,296</u>

The accompanying notes are an integral part of this Consolidated Balance Sheet and should be read in conjunction therewith.

The Auditors' Report to the Shareholders is attached hereto.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1962

1. Included in this consolidation are the accounts of the company's wholly-owned subsidiaries as at December 31, 1962 and the results of their operations for the year ended on that date.

2. The net sales price of concentrates to be delivered under firm contract, largely determinable in United States dollars, has been converted into Canadian dollars at a premium of 7%. The actual value cannot be determined until the concentrates are delivered.

3. Under the provisions of the Deeds of Mortgage and Trust securing the Mortgage Bonds which are payable by the company dividends on the company's capital stock (except stock dividends) may not be declared or paid unless after payment of the dividends the company's net current assets (as defined in the Deeds of Mortgage and Trust) are not less than \$5,000,000.

4. The company is obligated to issue under a Deed of Trust and Mortgage, following retirement of the presently outstanding Mortgage Bonds which are payable by the company, non-interest-bearing debentures as collateral security for amounts then outstanding with respect to advance payments received from Eldorado Mining and Refining Limited.

5. Inventories including concentrates (other than concentrates included in current assets) and materials held for sale are valued at cost except that supplies no longer required are at estimated realizable value.

6. The basis adopted in prior years for providing depreciation of fixed assets and amortization of deferred development expenses in respect to the assets of the company located at its mine properties has achieved the complete write-off of these expenditures by December 31, 1962. Petroleum and natural gas lease acquisition costs

and development expenditures are amortized on the unit of production method based on estimated reserves. Depreciation of other assets of the company and those of the subsidiaries is such as to allow for write-off over their estimated useful lives.

7. The provision for Ontario mining tax is stated at maximum amounts in accordance with the basis on which the company was assessed for 1960 and prior years. It is possible that, as a result of current procedures before the Ontario Municipal Board, such taxes may be substantially less than stated.

8. It is estimated that there is no liability for income taxes for the year, except Ontario mining tax, because of deductions claimed for tax purposes.

9. Long term debt due within one year includes \$2,521,750 in respect of 4½% Second Mortgage Sinking Fund Bonds, Series B, due December 15, 1963.

10. The attached consolidated balance sheet does not reflect an outstanding commitment to make deposits totalling \$329,400 over the three years 1963 to 1965, inclusive, in respect to housing facilities for employees and it does not reflect certain amounts claimed by Central Mortgage and Housing Corporation in respect to rental housing units. The company is disputing the claim which, if payable, would amount to \$374,400 at December 31, 1962.

11. An action has been commenced against the company in the Supreme Court of Ontario claiming a royalty of \$750,000 under an agreement to which one of the companies which amalgamated as the company was a party. The company denies any liability in respect to this claim and is defending the action.

AUDITORS' REPORT

To The Shareholders,
Denison Mines Limited.

We have examined the consolidated balance sheet of Denison Mines Limited and its subsidiaries as at December 31, 1962 and the consolidated statements of operations and earned surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We report that, in our opinion, the attached consolidated balance sheet and accompanying consolidated statements of operations and earned surplus present fairly the financial position of Denison Mines Limited and its subsidiaries as at December 31, 1962 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
January 10, 1963.

AMPLEFORD, BROADHEAD & CO.,
Chartered Accountants.





Mine Manager's Report



The General Manager,
Denison Mines Limited,
4 King Street West,
Toronto 1, Ontario.

The following is a report on the Company's mining operation at Elliot Lake during 1962.

Mining

Better unit performance and improved material controls have reduced costs over the previous year. The analysis of the daily variances in the elements of the 85 operating cost responsibility centers has allowed supervisors to compare current costs with controlled budgets. The use of these predetermined costs together with the development of new production techniques enables Denison to meet competition from any source.

A total of 1,831,059 tons of ore was hoisted, 1,031,746 tons from No. 1 shaft, 799,313 tons from No. 2 shaft. A total of 44,380 lineal feet was driven. Positive ore reserves were maintained during this period.



The northeast conveyor axis mentioned in last year's report was completed. It is designed to service in excess of 4,000,000 tons of ore. A total of 1,000 feet of conveyor axis "B" was developed. This will eventually become the main north-south transportation artery for the mine.

Explosive costs were reduced 33% per ton broken by the conversion of the blasting operation to ammonium nitrate-fuel oil blasting agents. Haulage maintenance costs were reduced by an average of 30% for trucks and shuttle cars. Rock-drill repair costs decreased by 6.5% per foot drilled and slusher maintenance costs by 27% per ton handled.

Milling

A total of 1,828,993 dry tons was treated for a daily average of 5,680 dry tons as compared to 5,827 dry tons for 1961. Despite a reduction of 10% in tons treated, the efficiency of the mill was maintained.

SUMMARY OF PRODUCTION	1959	1960	1961	1962
Tons broken.....	2,189,316	2,021,643	2,043,946	1,808,011
Tons milled (dry)	2,046,250	*2,013,846	*2,033,483	*1,828,993
Average tons milled per day (dry)	5,672	5,787	5,827	5,680
Percent recovery	93.55	93.04	93.18	93.11
Pounds U ₃ O ₈ produced	4,916,108	4,911,761	5,379,168	4,844,259
Average pounds U ₃ O ₈ per ton	2.56	2.70	2.85	2.88

* Plant shut down for annual holiday.

The average grade of ore treated during the year showed a slight increase to 2.88 lbs. U_3O_8 , which establishes the fourth consecutive year of improvement.

Increased control in the use of acid, chlorate and steam has been realized through automation which now provides for immediate adjustment to the characteristics of the ore being processed.

Rock Mechanics Studies

Results of our rock mechanics studies have assisted our engineers in planning mining layouts on a sound scientific basis. These studies of ground movements are being continued to investigate and assess measuring techniques.

Safety

The projected goal of a reduction by 30% in compensable accident frequency was exceeded by 6.8%. This was accomplished following the previous performance improvement of 1961 which was recognized by the Award of Merit from the National Safety Council and the Gibson Trophy for the best safety performance in the area.

Employees and Community

Employee relations continue on a high level. The employees covered by our bargaining agreement received a 5¢ per hour increase effective June 22, 1962. Labour turnover remains static at approximately 4.5%.

Rental accommodation provided by the Company at Elliot Lake remains in preferential demand, owing to the high standards that we continue to provide.

Denison continued its scholarship programme for graduate students from Elliot Lake High School. The Company maintains its extensive support of the Elliot Lake Hospital, as well as other employee and community welfare activities.

The NUCLEUS, the Company's award-winning publication for its employees, continues to generate high reader interest within and outside the Company.

Acknowledgments

Appraisal of the work accomplished cannot be made without recognition of the constant co-operation and efforts of the heads of the departments, their staffs, and all employees. The following, through their special responsibilities, merit particular mention: Messrs. E. Futterer, Asst. Mine Manager; F. C. Lendrum, Mill Superintendent; R. E. Hamilton, Mine Superintendent; D. Laschuk, Chief Mine Engineer; E. Williams, Purchasing Agent; J. S. Reszel, Mine Accountant; N. W. Gillick, Master Mechanic; A. F. Russel, Electrical Superintendent; C. B. Banks, Personnel Manager; G. M. Bainbridge, Mine Geologist and G. Napier, Safety Director.

Two department heads, Mr. L. R. Montpetit and Mr. A. F. Risso, were transferred to Head Office to aid on projects considered for diversification.

The support and guidance of the Officers and Directors is also gratefully acknowledged.

Respectfully submitted,

M. J. de BASTIANI,
Mine Manager.

Elliot Lake, Ontario,
January 9, 1963.



